

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT CONSOLIDATED INCOME STATEMENTS
FOR YEARS ENDED DECEMBER 31

Unaudited
(\$ Thousands)

	2000	1999	1998	1997	1996
Revenues:					
Interest and dividends	\$2,292,145	\$2,443,338	\$2,436,958	\$2,338,996	\$2,266,466
Investment management and services fees	1,852,864	1,461,282	1,221,885	1,060,007	865,736
Distribution fees	958,854	808,139	629,440	425,408	339,571
Variable annuity and variable life insurance charges	333,981	328,023	311,374	280,285	247,861
Life insurance premiums	289,532	255,427	229,429	206,494	182,921
Property-Casualty insurance premiums	136,073	123,746	108,984	94,701	86,987
Other, including realized gain/loss on investments	266,290	215,962	157,077	192,216	120,133
Total revenues	6,129,739	5,635,917	5,095,147	4,598,107	4,109,675
Benefits and Expenses:					
Benefits:					
Annuities	1,018,355	1,070,670	1,150,535	1,213,990	1,207,624
Life insurance	468,471	437,797	417,711	384,134	353,053
Investment certificates	336,527	306,112	274,626	200,295	197,345
Property/Casualty	87,642	84,277	71,501	67,953	66,528
Expenses:					
Compensation and benefits	2,152,625	1,744,487	1,530,102	1,282,308	1,073,544
Professional fees	184,551	189,521	152,275	138,135	111,482
Occupancy and equipment costs	230,356	199,281	152,077	153,815	132,184
Taxes, other than income taxes	32,760	26,678	24,971	21,658	20,199
Interest	22,419	32,304	29,847	23,304	19,421
Other	113,221	182,027	99,414	90,640	43,183
Total benefits and expenses	4,646,927	4,273,154	3,903,059	3,576,232	3,224,563
Income before income tax expense	1,482,812	1,362,763	1,192,088	1,021,875	885,112
Income tax expense	450,706	427,859	374,057	314,844	291,587
Net income	\$1,032,106	\$934,904	\$818,031	\$707,031	\$593,525

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31

Unaudited
(\$ Thousands)

	2000	1999	1998	1997	1996
ASSETS					
Investments:					
Securities	\$26,383,159	\$26,270,148	\$27,014,363	\$26,875,845	\$24,930,764
Mortgage loans	4,096,665	3,984,424	3,839,738	3,831,080	3,712,061
Other investments	674,141	616,504	438,431	274,104	198,529
Total investments	31,153,965	30,871,076	31,292,532	30,981,029	28,841,354
Cash and cash equivalents	2,218,736	1,533,754	603,609	566,651	701,496
Life insurance policy and investment certificate loans	644,521	590,729	557,775	535,971	503,411
Consumer loans	326,110	189,786	212,944	214,643	0
Accounts, notes and investment income receivable	2,157,862	1,284,168	1,014,332	847,169	718,723
Land, buildings and equipment--less accumulated depreciation	604,663	373,398	261,811	236,777	224,928
Deferred acquisition costs	3,502,504	3,176,282	2,934,391	2,835,191	2,597,403
Goodwill--less accumulated amortization	232,099	243,656	255,207	218,309	226,706
Other assets	370,507	449,711	103,738	177,846	320,327
Separate account assets	32,349,347	35,894,732	27,349,401	23,214,504	18,535,160
	<u>\$73,560,314</u>	<u>\$74,607,292</u>	<u>\$64,585,740</u>	<u>\$59,828,090</u>	<u>\$52,669,508</u>

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31

Unaudited
(\$ Thousands)

	2000	1999	1998	1997	1996
LIABILITIES AND STOCKHOLDER'S EQUITY					
Liabilities:					
Future policy benefits:					
Fixed annuities	\$19,417,446	\$20,552,159	\$21,172,303	\$22,009,747	\$21,838,008
Life and disability insurance	4,681,289	4,458,940	4,261,413	4,052,831	3,835,714
Investment certificate reserves	7,348,196	5,950,985	4,854,448	4,148,803	3,265,390
Property/Casualty insurance reserves	110,336	113,849	110,459	107,622	98,960
Other liabilities:					
Accounts payable and accrued expenses	3,343,130	2,295,555	1,553,068	1,395,964	809,734
Open securities transactions	613,895	95,995	66,586	170,843	259,356
Short-term debt	327,963	241,237	103,789	149,167	10,000
Long-term debt	123,022	124,734	126,442	119,937	119,928
Career Distributors' Retirement Plan	141,134	164,372	179,934	201,962	210,209
Other	682,805	861,207	722,031	523,030	488,057
Total other liabilities	5,231,949	3,783,100	2,751,850	2,560,903	1,897,284
Liabilities related to separate account assets	32,349,347	35,894,732	27,349,401	23,214,504	18,535,160
Total liabilities	69,138,563	70,753,765	60,499,874	56,094,410	49,470,516
Stockholder's Equity:					
Additional paid-in capital	1,411,937	1,402,331	1,388,752	1,359,950	1,333,182
Other comprehensive income	(409,093)	(477,072)	230,813	299,550	134,152
Retained earnings	3,418,907	2,928,268	2,466,301	2,074,180	1,731,658
Total stockholder's equity	4,421,751	3,853,527	4,085,866	3,733,680	3,198,992
	\$73,560,314	\$74,607,292	\$64,585,740	\$59,828,090	\$52,669,508

AMERICAN EXPRESS FINANCIAL ADVISORS
SEGMENT SELECTED STATISTICAL INFORMATION
(Unaudited)

(Dollars in millions, except where indicated)

	Years Ended December 31				
	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Net Income	\$1,032	\$935	\$818	\$707	\$594
Revenues, Net of Provisions	\$4,219	\$3,737	\$3,181	\$2,732	\$2,285
Return on Average Equity*	22.6%	22.9%	22.5%	21.8%	20.4%
Investment Certificate Reserves (billions)	\$7.3	\$6.0	\$4.9	\$4.1	\$3.3
Annuity Accumulation Value (billions)	\$45.3	\$47.4	\$42.8	\$41.7	\$37.5
Life Insurance in Force (billions)	\$98.1	\$89.2	\$81.1	\$74.5	\$67.3
Assets Owned, Managed or Administered (billions):					
Assets managed for institutions	\$55.0	\$55.5	\$45.7	(a)	(a)
Assets owned, managed or administered for individuals:					
Owned Assets:					
Separate Account Assets	32.3	35.9	27.3	\$23.2	\$18.5
Other Owned Assets	41.3	38.7	37.3	36.6	34.2
Total Owned Assets	<u>73.6</u>	<u>74.6</u>	<u>64.6</u>	<u>\$59.8</u>	<u>\$52.7</u>
Managed Assets	112.0	115.1	92.0	(a)	(a)
Administered Assets	34.4	24.8	16.6	(a)	(a)
Total	<u>\$275.0</u>	<u>\$270.0</u>	<u>\$218.9</u>		
Market Appreciation (Depreciation) During the Period:					
Owned Assets:					
Separate Account Assets	(\$5,109)	\$8,172	\$3,547	\$3,170	\$1,937
Other Owned Assets	\$106	(\$1,126)	(\$109)	\$262	(\$232)
Managed Assets	(\$14,467)	\$23,774	\$13,954	(a)	(a)
Cash Sales:					
Mutual Funds	\$44,068	\$34,269	\$27,567	(a)	(a)
Annuities	5,886	3,902	3,298	(a)	(a)
Investment Certificates	3,297	3,591	2,342	(a)	(a)
Life and Other Insurance Products	900	746	605	(a)	(a)
Institutional	6,601	5,012	5,113	(a)	(a)
Other	3,557	3,514	3,167	(a)	(a)
Total Cash Sales	<u>\$64,309</u>	<u>\$51,034</u>	<u>\$42,092</u>		
Number of Financial Advisors	12,663	11,366	10,350	8,776	8,340
Fees From Financial Plans and Advice Service	\$97.7	\$88.5	\$72.4	\$60.8	\$48.1
Percentage of Total Sales from Financial Plans and Advice Services	68.1%	66.7%	65.4%	65.7%	64.0%

* Excluding the effect of SFAS #115.

a) In 2000, reporting of data related to cash sales and assets owned, managed and administered was revised to better reflect AEFA's multiple sales channel strategy and broadening of its product portfolio through additional non-proprietary offerings. Comparable data for 1997 and 1996 is not available, where noted.